

Income Tax

approval in principle, these particular provisions cannot be put to the House at this point in Committee. They have to be deleted from the Bill.

The Bill is not properly before us with respect to these particular provisions because the law is pretty clear that if the Government wants to levy a tax, it has to have a Ways and Means motion and a direction from the Crown. That is the reason we as ordinary Members cannot introduce taxing Bills. The Government cannot do that either unless it has specific authority from the Crown. The Government does not have this specific authority with respect to two parts of Clause 1. On that basis, those two parts of Clause 1 cannot be considered; they have to be ruled out. If the Government wants to come back with another statute and another Ways and Means motion, it can do that; it has all sorts of ways of doing it. But these particular provisions must be ruled out.

It is a very simple matter. I do not think there is anything else which should be done. We are not asking for the whole Income Tax Act to be thrown out. It was approved by the House and it substantially complies with the Ways and Means motion. But to the extent that there is an imposition of a levy which does not specifically comply with the Ways and Means motion, the Government does not have the right to introduce those provisions. It does not have royal authority, and it has to obtain that authority, the same as any other Member.

Mr. Cosgrove: Mr. Chairman, I want to capsulize briefly the position of the Government on this item. I cannot do better than begin by drawing to your attention the opening comments of the Hon. Member for Mississauga South who has just spoken. He indicated that the Government has substantially complied with the Ways and Means motion in the legislation which is before the House. That is the first test referred to by Mr. Speaker Jerome in his judgment, that if there is substantial compliance, there need not be verbatim, word by word, comma by comma, crossed "t" by crossed "t" submissions. That is my argument.

The explanation is that what we have in the Bill is really a clarification of the provisions which have always existed under Section 6 of the Act, that except for certain explicit exceptions, all benefits from employment are treated as income for tax purposes. This amendment stipulates that automobile operating expenses paid for by an employer are a benefit. This confirms and clarifies what has been the law and practice for many years.

On the second Clause, the House Leader of the Opposition complained that the Bill does not reflect the motion. I would reiterate for the consideration of the Chair that although the Government can draw another Ways and Means motion, if we did that every time Hon. Members opposite complained that there was some provision in some tax Act of some Province which was affected by legislation introduced in the House, we would have found the answer to the problem with the forest industry. What we would be doing is manufacturing paper, and that is all we would be doing.

I do not think it follows at all, with respect, that because there is an implication flowing from amendments before the House which affect different provinces differently, that is cause for complaint that the Bill does not comply with the Ways and Means motion.

I suspect that the Chair probably wants an opportunity to consider Clause 1 and Clause 109 and the point raised by the Opposition House Leader. At this point it may or may not be germane to draw to the attention of the Chair that I had hoped to begin my comments on the Act and on Clause 1 of the Bill before us by drawing to the attention of Members opposite and of the Chair the Government's intention to make two technical amendments to the Section. I do not believe they are germane or pertinent to the point raised by the Hon. Member but, in fairness, if we are to consider the Clause, I think all Members and the Chair should be apprised of these technical amendments.

Mr. McDermid: Why did you not give us notice?

Mr. Cosgrove: I did not have an opportunity to do so. The Opposition House Leader was the first person on his feet. It was my intention to bring these two technical amendments to the attention of the House and to seek the assistance of the Chair and Hon. Members opposite on how to deal with technical amendments to the Act. Because there are two technical amendments dealing with Clause 1 and other technical amendments, I feel I should now place them before the Chair and seek the advice of Members opposite.

I might add that I am advised that when there were substantial amendments to the Act in 1971, technical amendments were received, considered to be moved and thereby offered notice to Hon. Members opposite of technical changes which by and large were relieving changes to subsequent Sections of the Act. It will give Hon. Members opposite the opportunity to look at them as we deal with Subsection (1) and further Sections.

Before the Chair makes its decision on the point raised by the Opposition House Leader, I would like to offer to produce to the House the technical amendments, not only to Clause 1 but to other Clauses. It would be helpful as I table the amendments that they be deemed to have been moved and that they be printed as an appendix to today's debates. Then they would be available to all Hon. Members on both sides to consider as we go along. But I would like the advice of the Chair and the House on that point.

Mr. Lambert: Mr. Chairman, I do not know what the extent of the amendments might be or what is the interpretation of "technical". Since I was in charge of the Opposition's team with regard to the income tax debate in 1970, let me indicate that there were substantive changes and technical changes, 39 of them, on the first Bill that was printed following the Ways and Means motion. The Government was given permission to substitute a new Ways and Means motion. Perhaps technical changes consist of forgetting to put in additional reference to a